

SENATE BILL REPORT

SB 5547

As Reported by Senate Committee On:
Higher Education, February 17, 2015
Ways & Means, February 26, 2015

Title: An act relating to requiring a minimum grade point average or equivalent to renew a state need grant.

Brief Description: Requiring a minimum grade point average or equivalent to renew a state need grant. **[Revised for 1st Substitute:** Requiring a minimum grade point average to distribute state need grant awards.]

Sponsors: Senators Bailey, Rivers, Angel, Becker, Warnick, Honeyford and Padden.

Brief History:

Committee Activity: Higher Education: 2/12/15, 2/17/15 [DP-WM, DNP].
Ways & Means: 2/23/15, 2/26/15 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Bailey, Chair; Baumgartner, Vice Chair; Becker and Miloscia.

Minority Report: Do not pass.
Signed by Senators Kohl-Welles, Ranking Minority Member; Frockt and Liias.

Staff: Kimberly Cushing (786-7421)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5547 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Bailey, Becker, Brown, Hewitt, O'Ban, Padden, Parlette, Rolfes, Schoesler and Warnick.

Minority Report: Do not pass.
Signed by Senators Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Billig, Fraser, Hasegawa, Hatfield and Kohl-Welles.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: That it be referred without recommendation.

Signed by Senator Conway.

Staff: Michael Bezanson (786-7449)

Background: The State Need Grant (SNG) program assists needy and disadvantaged students by offsetting a portion of their higher education costs. Students can use the grants at participating public and private colleges and universities, community and technical colleges, and private career schools in Washington State. In 2014-15, to be eligible, a student's family income cannot exceed 70 percent of the state's median family income, currently \$58,500 for a family of four.

Under current law, a student is eligible to receive an SNG award for up to five years, or up to 125 percent of the published length of time of the student's program. A student must maintain satisfactory academic progress toward completion of an eligible program to remain a recipient of the SNG program.

Summary of Bill (Recommended Substitute): To remain qualified, an SNG recipients must maintain a 2.25 GPA to remain eligible at their first renewal and a 2.5 GPA to remain eligible at their second or subsequent renewal, unless the student attends The Evergreen State College (TESC). Students enrolled at TESC must meet the requirements of the college's satisfactory academic progress policy to remain eligible for the SNG program.

The lost award revenue from students who do not meet the 2.25 or the 2.5 GPA standards at renewal will be redistributed to those students who meet the 2.5 GPA standard.

Students are exempt from the GPA requirements at renewal if they are dealing with the birth or placement of a child, are caring for a family member with a serious health condition, or have a serious health condition themselves, as defined by the state family leave law.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute):

- Requires students to have at least a 2.25 GPA to continue to be eligible for the SNG at their first renewal.
- Requires students to have at least a 2.5 GPA to continue to be eligible for the SNG at their second or subsequent renewal.
- Those students who have a 2.5 or higher at their second or subsequent renewal will receive additional amounts from those who fail to meet the standard
- The redistribution must be budget neutral.
- Exempts students from the GPA requirement for renewal of the SNG if they are dealing with the birth or placement of a child, are caring for a family member with a serious health condition, or have a serious health condition themselves, as defined by the state family leave law.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Higher Education): CON: SNG is successful. The Washington State Institute for Public Policy found that a 25 percent decrease in an SNG award is associated with a 4 to 8 percentage point change in completion rates for lowest-income students. The problem with SNG is that it is underfunded. SNG students may have obstacles that affect their performance. Changing the SNG standards would affect the College Bound Scholarship program. We are concerned about setting different thresholds for different types of students. Professors grade differently. Students come from different communities that have different quality levels of education. Some students do not transition well into academia from the workforce. This could result in students avoiding more challenging courses in the science, technology, engineering, and math fields. This may disincite students to even attend college, because without SNG they will have to work more, take less classes, or maybe impact GPA further. This may cause a perverse incentive for students to attend a for-profit institution. SNG students are low-income students and if they drop out they will go back to low-income lifestyle and will need other state supports. Past performance is not an indicator of future potential. We want to inspire educational greatness in our students so that graduates are competitive. Look into funding for advising so students can figure out what courses are the best for them.

OTHER: Institutions have academic progress standards. SNG requires states to follow satisfactory academic progress, which is a term-by-term evaluation of progress. If students don't meet their credits, they receive a warning. Most institutions require a cumulative GPA average, which is a 2.0. The average GPA was 2.78 for full time and 2.6 for part time. Under the bill, 7000 students are affected but it is unclear in which term their GPA fell. If a student doesn't receive credit, they have to pay back an SNG award. Current policies ensure SNG funds are being used wisely. We will work with you to continue to monitor the program. The community and technical colleges have a minimum 2.0 GPA to get a degree or certificate. Loss of SNG may extend time to degree. Transfer students can have a GPA below 2.5. There may be a parade of students that come to professors to appeal for higher grades.

Persons Testifying (Higher Education): CON: Heather Heffelmire, Steffini Hedstrom, WA Student Assn. (WSA); Jordan Martin, WSA, Associated Students of Eastern WA; Paul Bell, Office of Student Legislative Affairs at Bellevue College, State Legislative Liaison; Juliette Schindler Kelly, College Success Foundation; Paul Francis, Council of Presidents; Branden Durst, citizen.

OTHER: Austin Wright-Pettibone, Associated Students of University of WA, Government Relations Director; Scott Copeland, State Board for Community and Technical Colleges; Rachelle Sharpe, WA Student Achievement Council.

Staff Summary of Public Testimony on Original Bill (Ways & Means): CON: The SNG is a great investment. We are concerned that this bill will have an effect on low-income student college achievement. This will not incentivize students to take challenging classes.

Students may also face challenging circumstances outside of school that may impact school work.

OTHER: We have found that the SNG and College Bound Students are performing well and they are moving toward credit completion. A GPA standard may provide a disincentive from student taking challenging courses.

Persons Testifying (Ways & Means): CON: Paul Francis, Council of Presidents; Heather Heffelmire, Western WA University Student Assn.

OTHER: Rachelle Sharpe, WA Student Achievement Council.